

## Internal Revenue Service, Treasury

## § 301.6685-1

required information, shall pay a penalty of \$1,000, unless such failure is shown to be due to reasonable cause.

(2) *Joint return.* The penalty imposed by section 6679 and this section shall apply to each U.S. citizen, resident, or person filing a joint return pursuant to the provisions of section 6035, 6046, or 6046A, which does not show the required information.

(3) *Showing of reasonable cause.* The district director, the director of the Internal Revenue service center, and the director of International Operations are authorized to make the determination that such failure was due to a reasonable cause and that, accordingly, the penalty imposed by section 6679 shall not apply. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration that it is made under the penalties of perjury, setting forth all the facts alleged as a reasonable cause. If the taxpayer exercises ordinary business care and prudence and is nevertheless unable to furnish any item of information required under section 6035, 6046, or 6046A and the regulations thereunder, such failure shall be considered due to a reasonable cause. In determining the extent of a taxpayer's ability to obtain information, the percentage of stock owned by such taxpayer and the nature of the other interests in the foreign corporation will be considered.

(b) *Deficiency procedures not to apply.* The penalty imposed by section 6679 may be assessed and collected without regard to the deficiency procedures provided by subchapter B of chapter 63 of the Code.

[32 FR 15421, Nov. 3, 1967, as amended by T.D. 7288, 38 FR 27215, Oct. 1, 1973; T.D. 7542, 43 FR 18552, May 1, 1978; T.D. 8028, 50 FR 23409, June 4, 1985]

### **§ 301.6682-1 False information with respect to withholding allowances based on itemized deductions.**

For regulations under section 6682, see § 31.6682-1 of this chapter (Employment Tax Regulations).

[T.D. 7109, 35 FR 16544, Oct. 23, 1970]

### **§ 301.6684-1 Assessable penalties with respect to liability for tax under chapter 42.**

(a) *In general.* If any person (as defined in section 7701(a)(1)) becomes liable for tax under any section of chapter 42 (other than section 4940 or 4948(a)), relating to private foundations, by reason of any act or failure to act which is not due to reasonable cause and either—

(1) Such person has theretofore (at any time) been liable for tax under any section of such chapter (other than section 4940 or 4948(a)), or

(2) Such act or failure to act is both willful and flagrant,

then such person shall be liable for a penalty equal to the amount of such tax.

(b) *Showing of reasonable cause.* The penalty imposed by section 6684 shall not apply to any person with respect to a violation of any section of chapter 42 if it is established to the satisfaction of the district director or director of the internal revenue service center that such violation was due to reasonable cause. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration by such person that it is made under the penalties of perjury, setting forth all the facts alleged as reasonable cause.

(c) *Willful and flagrant.* For purposes of this section, the term “willful and flagrant” has the same meaning as such term possesses in section 507(a)(2)(A) and the regulations thereunder.

(d) *Effective date.* This section shall take effect on January 1, 1970.

[T.D. 7127, 36 FR 11504, June 15, 1971]

### **§ 301.6685-1 Assessable penalties with respect to private foundations' failure to comply with section 6104(d).**

(a) *In general.* In addition to the penalty imposed by section 7207, relating to fraudulent returns, statements, or other documents, any person (as defined in paragraph (b) of this section) who is required to comply with the requirements of section 6104(d), relating to public inspection of private foundations' annual returns, and who fails so to comply, if such failure is willful,

shall pay a penalty of \$1,000 with respect to each such return with respect to which there is a failure so to comply.

(b) *Person*. For purposes of this section, the term "person" means any officer, director, trustee, employee, member, or other individual whose duty it is to perform the act in respect of which the failure occurs.

(c) *Effective date*. This section shall take effect on January 1, 1970.

(d) *Cross reference*. For the amount imposed for failure to comply with section 6104(d), see paragraph (c) of § 301.6652-2.

[T.D. 7127, 36 FR 11505, June 15, 1971, as amended by T.D. 8026, 50 FR 20758, May 20, 1985]

**§ 301.6686-1 Failure of DISC to file returns.**

(a) *In general*. In addition to the penalty imposed by section 7203 (relating to willful failure to file a return, supply information, or pay tax) any person who is required to supply information or to file a return under section 6011(c) (relating to records and returns of DISC's) and who fails to supply such information of file such return at the time prescribed in sections 6072(b) and 1.6072-2(e) shall pay a penalty of \$100 for each failure to supply information (provided that the total amount imposed on the delinquent person for all such failures during a calendar year shall not exceed \$25,000) and a penalty of \$1,000 with respect to each failure to file a return, unless it is shown that such failure is due to a reasonable cause.

(b) *Showing of reasonable cause*. The penalty imposed by section 6686 shall not apply to any person with respect to a failure to supply information, or to file a return, under section 6011(c) if it is established to the satisfaction of the district director or director of the Internal Revenue Service Center that such failure was due to reasonable cause. An affirmative showing of reasonable cause must be made in the form of a written statement, which contains a declaration by such person that the statement is made under the penalties of perjury, and sets forth all the facts alleged as reasonable cause.

[T.D. 7533, 43 FR 6604, Feb. 15, 1978]

**§ 301.6688-1 Assessable penalties with respect to information required to be furnished under section 7654 on allocation of tax to Guam or the United States.**

(a) *In general*. Each individual to whom paragraph (a)(2) of § 301.7654-1 applies for a taxable year who fails to file for such year the information return required by paragraph (d) of such section within the time prescribed therein, or who files such a return but does not show the information required thereon, shall, in addition to any criminal penalty provided by law, pay a penalty of \$100 for each such failure.

(b) *Manner of payment*. The penalty set forth in paragraph (a) of this section shall be paid in the same manner as tax upon the issuance of a notice and demand therefor.

(c) *Reasonable cause*. The penalty set forth in paragraph (a) of this section shall not apply if it is established, to the satisfaction of the district director (or of the Commissioner of Revenue and Taxation of Guam if the individual was required to file his return of income tax for the taxable year with Guam) that the failure to file the information return or furnish the information within the prescribed time was due to reasonable cause and not to willful neglect. An individual who wishes to avoid the penalty must make an affirmative showing of all facts alleged as a reasonable cause for his failure to file the information return on time, or furnish the information on time, in the form of a written statement containing a declaration that it is made under penalties of perjury. Such statement must be filed with the district director (or with the Commissioner of Revenue and Taxation, Agana, Guam 96910, if the individual was required to file his return of income tax for the taxable year with Guam). In determining whether there was reasonable cause for failure to furnish the required information, account will be taken of the fact that the individual was unable to furnish the required information in spite of the exercise of ordinary business care and prudence in his effort to furnish the information. An individual will be considered to have exercised ordinary business care and prudence in his effort to